



The Commonwealth of Massachusetts

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

COLONIAL GAS COMPANY
d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND

D.T.E. 04-86

FIRST SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO COLONIAL GAS COMPANY

Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Energy ("Department") submits to Colonial Gas Company ("Colonial" or "Company") the following Information Requests:

INSTRUCTIONS

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Company in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punch page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term "provide complete and detailed documentation" means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.

5. The term “document” is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
6. If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. Please file one copy of the responses with Mary L. Cottrell, Secretary of the Department and with all parties; also submit two (2) copies of the responses to John J. Geary, Hearing Officer; one (1) copy of the responses to Alexander Kofitse, Analyst, Gas Division; one (1) copy of the responses to Timothy Cargill, Analyst, Gas Division; and one (1) copy of the responses to Carmen Liron-Espana, Analyst, Gas Division.
8. All non-proprietary responses should be submitted by e-mail to dte.efiling@state.ma.us and to the e-mail address of any party required to be served.
9. Responses are due by the close of business (5:00 p.m.) Monday, February 14, 2005.

INFORMATION REQUESTS

DTE 1-1 Refer to Att. A of the Company’s filing.

- (a) Calculate Colonial’s return on equity (“ROE”) for the twelve months ended December 31, 2004.
- (b) Calculate the variance between the Company’s allowed ROE for the years 1996 to 2004 and the ROE realized by the Company during these years.
- (c) Calculate Colonial’s average ROE for the twelve months ended December 31, 2003 and the twelve months ended December 31, 2004.

- (d) Provide copies of the relevant pages of Colonial's Annual Return used in the calculation of the Company's 2003 and 2004 ROE.
 - (e) Based on the Company's response to (a) and (c) above, please provide a detailed analysis (including workpapers, assumptions, etc.) to support the Company's statement that "the Company's earnings continue to warrant approval of an exogenous cost adjustment" (Cover Letter at 2).
- DTE 1-2 Please refer to the Cover Letter at 2 of the Company's filing. Explain why the Company is no longer seeking recovery of LBR using the rolling period methodology.
- DTE 1-3 Please refer to Att. A of the Company's filing. Recalculate Colonial's ROE for 2003 and 2004 to exclude the \$1,108,022 that the Company is proposing to recover in this filing. Use the same format as presented in Att. A in demonstrating the Company's results.
- DTE 1-4 Please refer to Exhs 1 through 9 of the Company's filing.
- (a) Calculate the average life span of demand-side management ("DSM") measures included in the calculation of the Mcf savings and lost base revenue ("LBR"). Provide your answer separately for residential, small commercial and industrial ("C&I"), and the medium C&I programs.
 - (b) What proportion of DSM measures installed by Colonial since the inception of the Company's DSM programs have expired and have been excluded from the calculation of the Mcf savings and LBR? Provide your answer separately for residential, small C&I, and medium C&I programs.
- DTE 1-5 Refer to Exhs. 1 through 9 of the Company's filing. Please discuss in detail whether the DSM measures included in Colonial's LBR calculation for the residential, small C&I, and medium C&I programs are cost-effective.
- DTE 1-6 Refer to Att. B of the Company's filing. Has Colonial recovered any portion of the \$1,108,022, which the Company is proposing to recover in this filing?
- DTE 1-7 Refer to Att. B of the Company's filing. Explain in detail how carrying costs for residential, small C&I, and medium C&I programs were calculated.

- DTE 1-8 Refer to Exhs. 1 through 9 of the Company's filing. Explain how Colonial accounted for energy savings realized by customers other than those attributed to the Company's DSM program in the calculation of the Mcf savings and LBR.
- DTE 1-9 Refer to Exhs. 1 through 9 of the Company's filing. Provide any available assessment of the Company's residential, multi-family and C&I DSM programs with regard to the following since the inception of Colonial's DSM program:
- (a) overall customer satisfaction and customer complains;
 - (b) total bill savings;
 - (c) improved customer operations; and
 - (d) lowered maintenance costs.
- DTE 1-10 Refer to Exhs. 1 through 9 of the Company's filing. Discuss whether there has been any problems with the proper installation and maintenance of the Company's DSM measures to date, and the steps that Colonial has taken to address these problems. How will any such problems affect the energy savings estimates presented in this filing?
- DTE 1-11 Refer to Att. B of the Company's filing. Please discuss whether non-recovery of the proposed exogenous costs will affect the Company's operations.
- DTE 1-12 Please provide the information shown in the table below. For each Part, indicate the period covered for the installed measures included in the calculation of LBR.

| Part I: Standard 4-Year Rolling Period Method: (D.T.E. 97-112 (1999)) | | | |
|------------------------------------------------------------------------------|----------------------------|--------------------------------------------------|----------------------------------|
| Customer Class | LBR to be Recovered | Associated Carrying Costs to be Recovered | Total LBR to be Recovered |
| Residential | | | |
| Small C&I | | | |
| Medium C&I | | | |
| Total C&I | | | |
| Total | | | |

| Part II: Method Prior to D.T.E. 97-112: (All Measures Installed) | | | |
|-------------------------------------------------------------------------|----------------------------|--------------------------------------------------|----------------------------------|
| Customer Class | LBR to be Recovered | Associated Carrying Costs to be Recovered | Total LBR to be Recovered |
| Residential | | | |
| Small C&I | | | |
| Medium C&I | | | |
| Total C&I | | | |
| Total | | | |

| Part III: Exogenous Costs Calculation (Based on All Measures Installed) | | | |
|--------------------------------------------------------------------------------|----------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------|
| Customer Class | LBR to be Recovered As Exogenous Cost | Associated Carrying Costs to be Recovered As Exogenous Cost | Total LBR to be Recovered As Exogenous Cost |
| Residential | | | |
| Small C&I | | | |
| Medium C&I | | | |
| Total C&I | | | |
| Total | | | |

DTE 1-13. Please provide the information shown in the table below. For each Part, please provide the information shown in the table below. For each Part, indicate the period covered for the installed measures included in the calculation of LBR.

| Part I: 4-Year Rolling Period Method | | | |
|---------------------------------------------|----------------------------|--------------------------|---------------------------------------------------------------------|
| Customer Class | Gross Therm Savings | Net Therm Savings | Net Therm Savings As a Percentage of Gross Therm Savings (%) |
| Residential | | | |
| Small C&I | | | |
| Medium C&I | | | |
| Total C&I | | | |
| Total | | | |

| Part II: Method Prior to DTE 97-112 (1999)(All DSM Measures Installed Included) | | | |
|----------------------------------------------------------------------------------------|---------------------|-------------------|--------------------------------------------------------------|
| Customer Class | Gross Therm Savings | Net Therm Savings | Net Therm Savings As a Percentage of Gross Therm Savings (%) |
| Residential | | | |
| Small C&I | | | |
| Medium C&I | | | |
| Total C&I | | | |
| Total | | | |
| Part III: Exogenous Costs Calculation (Therm Savings) | | | |
| Customer Class | Gross Therm Savings | Net Therm Savings | Net Therm Savings As a Percentage of Gross Therm Savings (%) |
| Residential | | | |
| Small C&I | | | |
| Medium C&I | | | |
| Total C&I | | | |
| Total | | | |